

# **Indiana Long Term Care Insurance Program**

## **Quarter 4-2011 Report**

October 1, 2011 through December 31, 2011



**Completed on February 15, 2012**

## **QUARTERLY SUMMARY REPORT – INDIANA**

	<b>QUARTER 4-2011</b>	<b>TO DATE</b>
<b>Applications Received:</b>	<b>1,095</b>	<b>62,182</b>
<b>Applications Denied:</b>	<b>199</b>	<b>9,826</b>
Applications Pending & Withdrawn:	N/A	<b>286</b>
<b>Policies Purchased:</b>	<b>798</b>	<b>52,070</b>
Policies Dropped (voluntarily & for unknown reasons*):	97	6,461
Policies Not Taken Up: (dropped within 30 day free look period)	31	2,562
<b>Total Policies In Force (active):</b>	<b>N/A</b>	<b>40,652</b>
Policyholders Who Received Service Payments:	<b>405</b>	<b>1,273</b>

*\* Does not include drops reported as deaths, rescissions or exhausted benefits.*

# INDIANA LONG TERM CARE INSURANCE PROGRAM

## Statistical Summary

**Period: October 1, 2011 – December 31, 2011**

Report Prepared February 15, 2012

The Indiana Long Term Care Insurance Program (ILTCIP) is an innovative public/private partnership between the Indiana Medicaid Program and private long term care insurance companies, designed to help Indiana residents finance their potential long term care without fear of impoverishment. The Program began operation on May 17, 1993, with state approval of the first eight participating insurers. Actual marketing of Indiana Partnership policies by these companies began later that summer.

This report presents information for the quarter ending December 31, 2011, in the form of quarterly-specific and cumulative statistics since the Program's inception.

Highlights from this quarter include the following:

- **Policies purchased during this quarter were 798!**
- **Cumulatively, 62,182 applications have been submitted with over 52,070 policies purchased!**
- **Comprehensive policies continue to be the primary type of policy being purchased. For example, 100.00% of all policies purchased in Q4'11 were comprehensive while 0.00% were for nursing home only.**
- **Cumulatively, the number of comprehensive policies purchased has increased from 91.94% of all sales in (Q4'10) to 92.47% of all sales in (Q4'11).**
- **79.32% of policies purchased during Q4'11 qualify for Total Asset Protection. Cumulatively, 78.73% of all policies purchased qualify for Total Asset Protection.**
- **95.52% of all policies purchased have been by first time purchasers.**
- **The average age of policy purchasers is 60.7. Age range of purchasers is 18 to 89.**
- **Cumulatively, 75% of all policyholders were age 65 or under at the time of purchase.**

**Indiana Long Term Care Insurance Program:  
Statistics for Quarter Ending December 31, 2011  
In Comparison To Cumulative Program Statistics**

	<b>Quarter ending 12-31-2011</b>	<b>Cumulative as of 12-31-2011</b>
<b>Total Policies Purchased</b>	798	52,070
<b>Total Policies Dropped *</b>	<u>196</u>	<u>11,225</u>
	Died 65 (33.16%)	Died 1,987 (17.70%)
	Voluntarily 30 (15.31%)	Voluntarily 2,785 (24.81%)
	Unknown 67 (34.18%)	Unknown 3,676 (32.75%)
	Not Taken Up 31 (15.82%)	Not Taken Up 2,562 (22.82%)
<b>Policies Not Taken Up During 30 Day Free Look</b>	Converted 0 (0.00%)	Converted 79 (0.70%)
	Exhausted Benefits 3 (1.53%)	Exhausted Benefits 87 (0.78%)
	Rescission 0 (0.00%)	Rescission 2 (0.02%)
	Non-Forfeiture 0 (0.00%)	Non-Forfeiture 47 (0.42%)
<b>Policies in Force</b>	N/A	40,652

*\*Does not include exhausted or rescissions.*

***This information was based on quarterly and cumulative policies in force.***

<b>Nursing Home and Home Care Policies.</b>	798 (100.00%)	37,591 (92.47%)
<b>Nursing Home Only Policies</b>	0 (0.00%)	3,014 (7.41%)
<b>First Time Purchasers</b>	785 (98.37%)	38,830 (95.52%)
<b>Upgrades or Replacements</b>	13 (1.63%)	1,774 (4.36%)
<b>Individual</b>	776 (97.24%)	38,572 (94.88%)
<b>Group Certificates</b>	0 (0.00%)	275 (0.68%)
<b>Organization Sponsored</b>	22 (2.76%)	1,757 (4.32%)
<b>Male</b>	363 (45.49%)	17,569 (43.22%)
<b>Female</b>	435 (54.51%)	23,036 (56.67%)
<b>Married</b>	690 (86.47%)	32,875 (80.87%)
<b>Not Married</b>	108 (13.53%)	7,401 (18.21%)
<b>Unknown</b>	0 (0.00%)	358 (0.88%)
<b>Civil Union or Domestic Partner</b>	0 (0.00%)	18 (0.04%)

**Indiana Long Term Care Insurance Program**  
**Fact Sheet For Quarter 4, 2011**

**PARTICIPATING COMPANIES:**

Allianz – Individual	MedAmerica – Individual & Group: Tax Qualified
American Republic – Individual: Tax Qualified	Metropolitan Life - Individual: Tax Qualified
Bankers Life and Casualty – Individual: Tax Qualified	Monumental Life – Individual: Tax Qualified
Central States of Omaha – Individual: Tax Qualified	Mutual of Omaha
CNA –Individual/Group: Tax Qualified	Penn Treaty Network America - Individual
Genworth – Individual: Tax Qualified	Prudential Ins. Co of America – Tax Qualified
Hartford Life – Individual: Tax Qualified	Senior Health Ins. Co. of PA – Tax Qualified
John Hancock – Individual: Tax Qualified	State Farm – Individual: Tax Qualified
Massachusetts Mutual Insurance Company	Transamerica – Individual: Tax Qualified
	United Teachers Associates Insurance Company

19 companies provided data during Quarter 4, 2011.

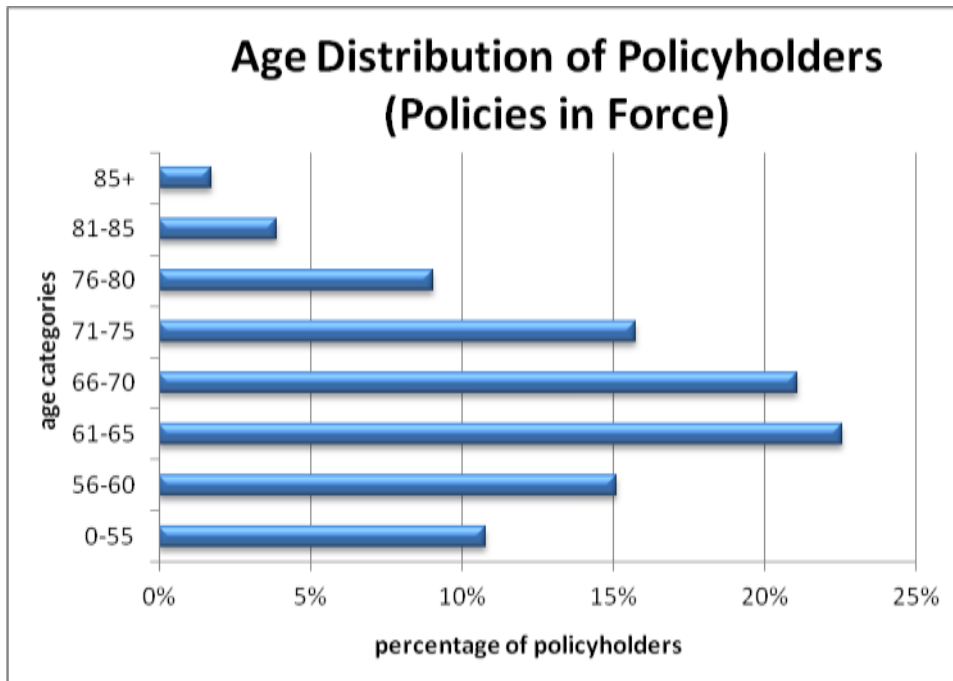
## Age Distribution of Partnership Policyholders at Time of Purchase

Age Range    Average Age

Policy Category	Low	High	
Individual Policyholders	18	89	61.00
Group Certificate holders	23	75	50.50
Organization Sponsored	20	84	57.19
All Insured	18	89	60.70

### **Age Distribution of Policyholders (Policies in Force)**

Age Category	Percentage of Policyholders
86+	2.41%
81-85	5.17%
76-80	10.69%
71-75	16.76%
66-70	21.36%
61-65	22.28%
56-60	12.95%
0-55	7.97%



**Nursing Home Per Diem Amounts (Policies in Force):**

Average Amount: \$145.76

Mode: \$150.00 (10% of all purchasers)

**Home Care Per Diem Amounts (Policies in Force):**

Average Amount: \$136.01

Mode: \$150.00 (9% of all purchasers)

**Elimination Periods (Policies in Force):****Nursing Homes:**

0 days	1,474 (3.63%)
9 days	1 (0.01%)
15 days	43 (0.11%)
20 days	1,068 (2.63%)
30 days	5,327 (13.10%)
45 days	644 (1.58%)
50 days	1,678 (4.13%)
60 days	1,312 (3.23%)
90 days	17,699 (43.54%)
100 days	9,811 (24.13%)
120 days	2 (0.01%)
180 days	918 (2.26%)
365 days	2 (0.01%)

**Home and Community Care:**

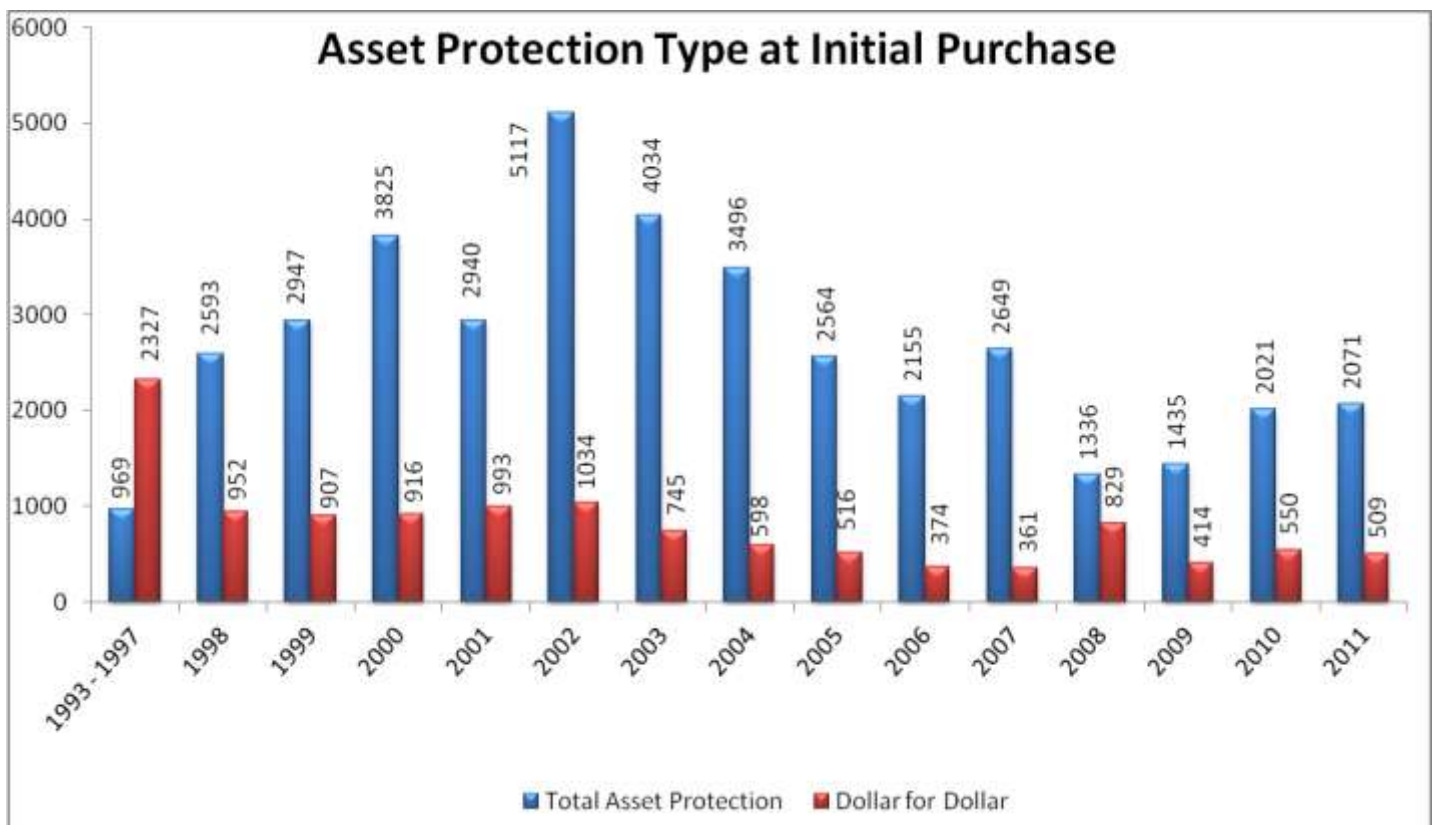
0 days	15,257 (37.53%)
10 days	3 (0.01%)
14 days	177 (0.44%)
15 days	29 (0.07%)
20 days	902 (2.22%)
30 days	4,212 (10.36%)
45 days	639 (1.57%)
50 days	24 (0.06%)
60 days	1,003 (2.47%)
90 days	10,984 (27.02%)
100 days	3,736 (9.19%)
180 days	715 (1.76%)
365 days	2 (0.01%)

**Riders:**

Non-Forfeiture	177	(0.43%)
Restoration of Benefits	514	(1.26%)
Spousal Benefit Enhancement	918	(2.26%)
Other Riders	1,405	(3.46%)

### Asset Protection Type at Initial Policy Purchase By Policy Effective Date

Quarter 4-2011	Cumulative at Time of Purchase
Policies Purchased by Quarter	798
Policies Purchased by Cumulative	52,070
Total Asset Protection by Quarter	633
Total Asset Protection by Cumulative	40,993
Dollar for Dollar by Quarter	165
Dollar for Dollar by Cumulative	11,536



\*Total Asset Protection became available 3-12-98 & grand fathered in those policies with coverage at initial purchase equal to or greater than state-set-dollar amount for 1998.



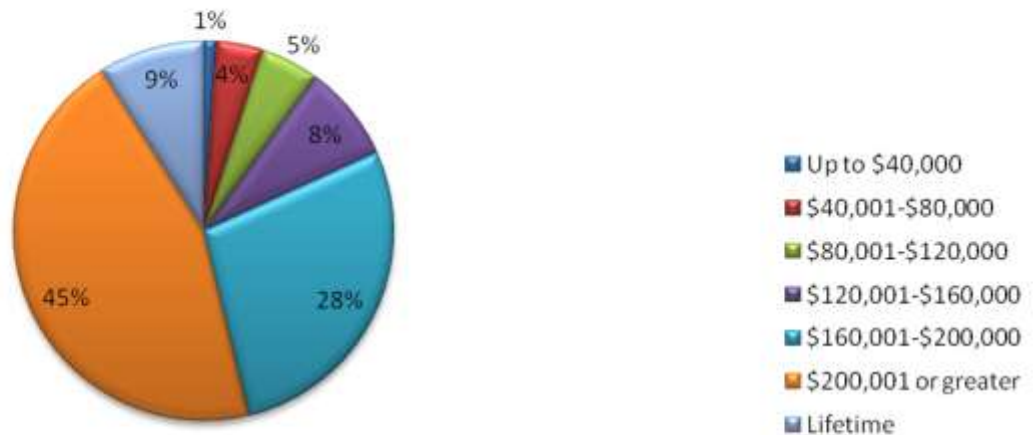
**Maximum Policy Amount of Policies in Force:**

**Range:** \$21,977 - \$6,504,300 (plus 3,894 lifetime policies)

**Average amount: \$202,670** (not including lifetime policies)

**Maximum Benefit Amounts Selected By All Purchasers (Policies in Force)**

Maximum Benefit Amount at Time of Purchase	All Purchasers
Up to \$40,000 (Approx: 1 yr)	332 (0.82%)
\$40,001 - \$80,000 (2 yrs)	1,497 (3.68%)
\$80,001 - \$120,000 (3 yrs)	2,258 (5.55%)
\$120,001 - \$160,000 (4 yrs)	3,127 (7.69%)
\$160,001 - \$200,000 (5 yrs)	10,932 (26.89%)
\$200,001 or greater (6 yrs +) (excluding lifetime)	18,612 (45.78%)
Lifetime Policies	3,894 (9.58%)



## Policyholders in Benefit Information as of December 31, 2011

### Benefit Status

Number of policyholders, to date, who have received benefit payments.	1,273
Number of policyholders in benefit as of Quarter 4, 2011.	405
Number of policyholders that received benefits and have died.	464
Number of policyholders, to date, who have exhausted their benefits and applied to Medicaid	48 (87 Exhausted)

Asset protection earned by policyholders to date.	\$70,403,055.60
Asset protection earned to date that will not be accessed (policyholders who have died)	\$21,471,452.21

### Service Utilization

<b>Type of Service*</b> (other than case management)	<b>QTY</b>	<b>% of Total Claimants by Type of Service **</b>
Nursing Home Care	906	71.17%
Home Health Aide – hourly care	117	9.19%
Home Health Aide – daily care	161	12.65%
Attendant Care	5	0.39%
Other Institutional	0	0%
Hospital Bed Hold	210	16.50%
Assisted Living	282	22.15%
Adult Day Care	18	1.41%
Personal Care	71	5.58%
Alternate Level of Care	5	0.39%

\*These categories are not mutually exclusive; therefore, percents shown will not total 100.

\*\*This is the cumulative status of all claimants. The status and percent (%) will change as the claimant's status changes.

**CLAIMANT PROFILE**  
**Cumulative Aggregate of All Policyholders Who Used Benefits**  
**As of December 31, 2011**

Gender	Female	67.16%
	Male	35.19%
Marital Status	Not Married	39.28%
	Married	58.29%
	Unknown	4.63%
Average Age At The Time Of Policy Purchase		71
Average Age At The Time Of Claim		79
Age Range At Time Of Claim	Range =	44 – 100
	Mean =	79.8
	Median =	80.2
Policy Type Owned:	Nursing Home Only	26.87%
	Nursing Home & Home Care	77.53%

Average time elapsed between purchase date and claim date was 108 months (9 years)